Government of Saskatchewan

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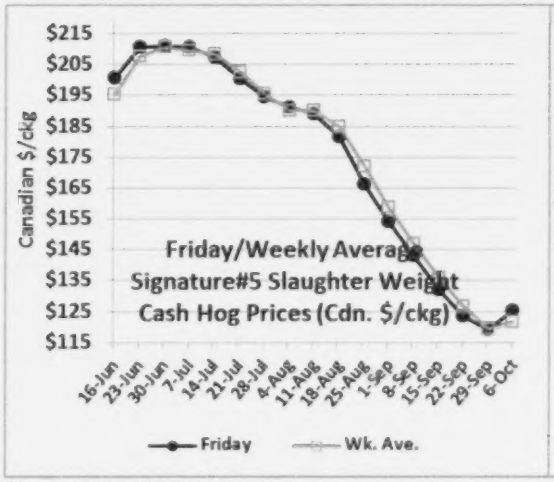
Weekly Hog Report

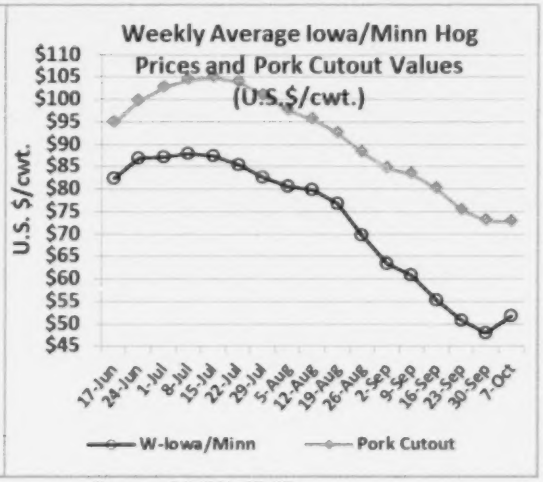
October 10, 2017

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (Iowa/Minn) rebounded last week with prices moving higher, week-over- week. Daily prices moved about $1 per cwt higher each day. Hog prices on Friday October 6 averaged US$54.05 per cwt, up US$5.93 per cwt or 12.3 per cent from US$48.12 per cwt the previous Friday. The negotiated weekly base price last week averaged US$51.62 per cwt, up US$3.82 per cwt or 8.0 per cent from US$47.80 per cwt the previous week.



Source: HAMS Marketing

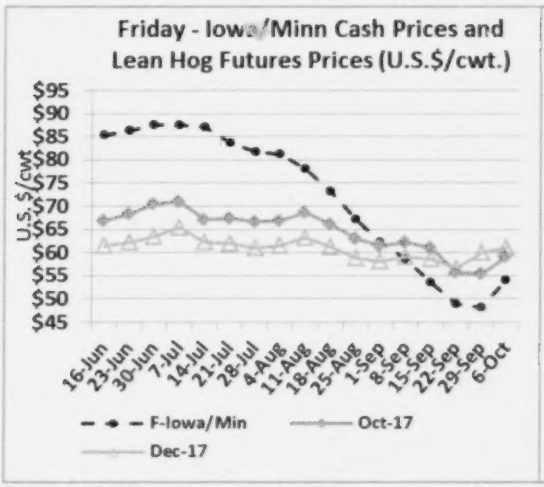


Source: LMIC, CME

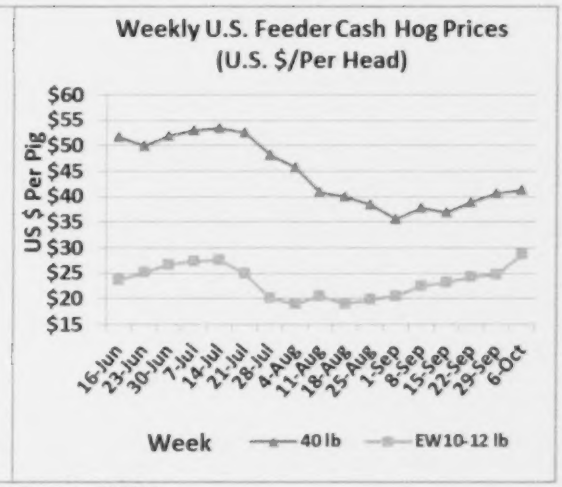
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday October 6, 2017 was $125.27 per ckg, up $6.31 per ckg or 5.3 per cent from $118.96 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $121.61 per ckg, up $2.12 per ckg or 1.8 per cent from the previous weeks' average price of $119.49 per ckg. The Canadian dollar compared to the U.S. dollar settled last Friday at 79.69 cents, down 0.44 cents from 80.13 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed last week but overall higher to push prices up, week-over-week. The nearby October lean hog futures contract increased US$3.775 per cwt to settle last Friday at US$59.175 per cwt; while the December contract increased US$0.975 per cwt to settle last Friday at US$60.925 per cwt.



Source: LMIC



Source: USDA

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices moved higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$28.72 per head, up US$4.02 per head or 16.3 per cent from US$24.70 per head the previous week. Feeders (40lb) averaged US$41.38 per head, up US$0.66 per head or 1.6 per cent from US$40.72 per head, the previous week.

Iowa cash corn prices settled last Friday at US$3.02 per bushel, down four cents from US$3.06 per bushel the previous Friday. Daily corn futures were mixed last week down early in the week to push prices lower, weak-over-week. The December corn contract declined 5¼ cents to settle last Friday at US$3.50 per bushel. The March 2018 corn contract declined 4½ cents to settle last Friday at US$3.63¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending October 6 were estimated at 2.524 million head, down slightly from 2.527 million head the previous week, but up 4.0 per cent from 2.427 million head the same week a year ago. Weekly hog slaughter numbers were about the fourth largest kill on record over the last 30 years. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.502 million head, up 2.9 per cent from 2.430 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Sept. 30, 2017 were estimated at 444,791 head, up 2.4 per cent from 434,419 head the previous week, and up 0.9 per cent from 440,710 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 420,908 head, up 1.9 per cent from 413,139 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 16,130,010 head, up 2.1 per cent from the same period a year ago. (Source: AAFC/CFIA)

Meat Production

U.S. pork production for the week ending October 6, 2017 was estimated at 531.9 million lb., up slightly from 530.7 million lb. the previous week, and up 4.4 per cent from 509.4 million lb. the same week a year ago. Pork production over the last four week's ending October 6 was estimated to average 526.7 million lb., up 3.4 per cent from 509.5 million lb. over the same four week period a year ago.

U.S. beef production for the week ending October 6 was estimated at 522.8 million lb., down 2.3 per cent from 535.3 million lb. the previous week, but up 2.0 per cent from 512.8 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending September 30, 2017, was estimated to average 2.164 billion lb., up 4.3 per cent from 2.075 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.3 per cent compared to the same period in 2016.

United States Weekly Meat Production

(Sept. 30) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	490.0	509.6	4.0%	2.9%
Beef	490.2	516.4	5.3%	4.6%
Chicken	967.9	1,009.5	4.3%	1.2%
Turkey	126.9	128.5	1.2%	0.2%
Total	**2,075.0**	**2,164.0**	**4.29%**	**2.29%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending October 6, 2017 averaged US$72.72 per cwt, down slightly from US$72.88 per cwt the previous week; and almost unchanged from US$72.76 per cwt from the same week a year ago.

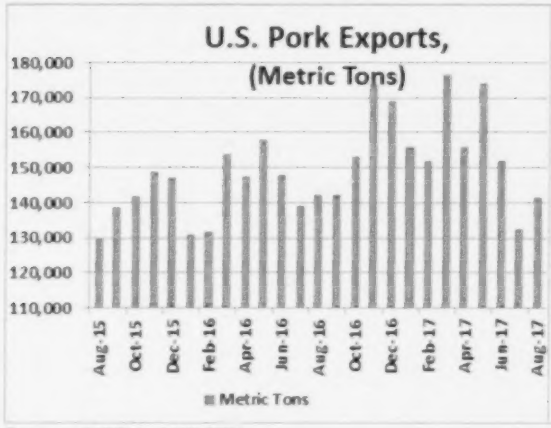
Choice beef cutout prices (600-900 lb.) for the week ending October 6, 2017 averaged US$197.39 per cwt over the week, up US$1.58 per cwt or 0.8 per cent from US$195.85 per cwt the previous week, and up 6.9 per cent from US$184.72 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending October 6, 2017 averaged US$114.30 per cwt, down US$7.69 per cwt or 6.3 per cent from US$121.99 per cwt the previous week, and down 6.2 per cent from US$121.84 per cwt the same week a year ago.

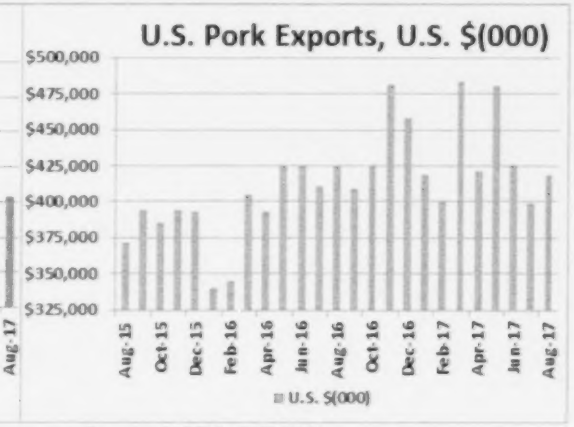
United States Pork Exports

United States pork exports in August 2017 rebounded from July and were similar to August of 2016. United States exported 141,398 metric tons of pork in August 2017, up 6.9 per cent from 132,304 metric tons in July 2017, but down 0.5 per cent from 142,126 metric tons in August 2016. U.S. pork exports by volume for August 2017 versus 2016 were higher to South America (+56%) and Mexico (+5%); but lower to China/Hong Kong (-26%) and Japan (-9%).

By dollar amount, U.S. pork exports in August 2017 were US$418.4 million up 4.8 per cent from US$399.3 million in July 2017, but down 1.4 per cent from US$424.5 million dollars in August 2016. Year-to-date, for the first eight months including August; U.S pork exports were $3.447 billion, up 8.8 per cent compared to the same period a year ago.



Source: USDA, USMEF



Source: USDA, USMEF

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